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The following constitutes the order of the court.
Signed April 18, 2018

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William J. Lafferty, III
U.S. Bankruptcy Judge

Attorneys for CITY OF EUREKA
Creditor and Real Party in Interest

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SANTA ROSA DIVISION

In re:

FLOYD E. SQUIRES III AND
BETTY J. SQUIRES,

Debtors.

CASE No. 17-10828 WJL 11

Chapter 11

ORDER RESOLVING CITY OF EUREKA'S MOTION TO APPOINT CHAPTER 11 TRUSTEE (Dated December 26, 2017)

The Motion to Appoint Chapter 11 Trustee [Doc. 56] filed by the City of Eureka (the "City") (the "Motion") was set for evidentiary hearing on March 26, 2018 at 9:00 a.m. before the Honorable William Lafferty. All appearances were as noted in the Court's record.

The City and the debtors in this case (the "Debtors") have represented to the Court that they have reached an agreement regarding the resolution of the Motion, which agreement includes the following terms:

1. An examiner shall be appointed pursuant to the terms of this order to exercise the

1 powers enumerated below pending the approval of a Chapter 11 Plan under which the Debtors'
2 real property holdings will be liquidated with the residual value, after payment of all creditor
3 claims, to be paid to the Debtors;

4 2. The Chapter 11 Plan filed by the City on March 9, 2018 [Doc. 153] shall provide
5 the basis for the parties' discussion over terms of a consensual liquidating plan in this case;

6 3. The City and the Debtors have come to a settlement as set forth in Doc. 240 and
7 related documents. The City and the Debtors will seek approval of that settlement by the Court.

8 Based upon the documents on file in connection with the Motion, the foregoing agree-
9 ment, and the other statements on the record,

10 IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

11 The Court hereby orders the appointment of an examiner to conduct an investigation of
12 the Debtors to the full extent permitted under Section 1104(c) of the Bankruptcy Code, includ-
13 ing, without limitation, to determine:

14 a. The value of the Debtors' assets;

15 b. The process by which the Debtors' real property assets can be stabilized to
16 maintain value and reduce or eliminate public health and safety concerns pending sale or other
17 disposition(s); and

18 c. The process by which the Debtors' assets (other than assets that are the
19 subject of a proper exemption claimed by the Debtors under Section 522 of the Bankruptcy Code
20 as to which either (i) the time for objection has expired without objection, or (ii) any and all
21 timely objections have been overruled) can be marketed and sold or otherwise used or disposed
22 in order to maximize value for distribution to creditors and the Debtor.

23 In connection with foregoing investigation, the examiner shall have the authority – except
24 as provided in sub-paragraphs (a)-(f) below – to manage the Debtors' estate including, without
25 limitation, authority to act or direct action on behalf of the Debtors pursuant to Sections 327,
26 328, 362, 363, 364, 365, 366, 502, 503, 505, 506, 507 and 510 of the Bankruptcy Code; provid-
27 ed, however, that:

28 a. The examiner shall not be entitled to any presumption of business judg-

1 ment, and the Court shall have the authority to resolve any dispute regarding a request for relief
2 as to which the business judgment of the Debtors, the examiner or a trustee would be relevant;

3 b. The Debtors shall retain the right to object to claims filed in the case;

4 c. The Debtors have standing to object to motions under Bankruptcy Code
5 Section 362 for relief from the automatic stay;

6 d. The Debtors shall have the ability to employ professionals under Bank-
7 ruptcy Code Section 327, with approval of the Court;

8 e. The Debtors and the City shall have the right to consult with the examiner
9 regarding any proposed use, sale, lease or encumbrance of the Debtors' property and the poten-
10 tial tax consequences to the Debtors thereof, including proposing a potential purchaser or method
11 of disposition; and

12 f. Nothing herein shall excuse the examiner from the obligation to seek
13 Court approval as required under the Bankruptcy Code and the Bankruptcy Rules, and the rights
14 of all parties in interest to object or otherwise be heard are expressly reserved regarding any mat-
15 ter as to which notice and/or a hearing is required under the Bankruptcy Code or the Bankruptcy
16 Rules.

17 APPROVED AS TO FORM:

18 /s/ Michael A. Sweet
19 Michael A. Sweet
20 Attorney for City of Eureka

21 /s/ Jared Day
22 Jared Day
23 Attorney for the United States Trustee

24 /s/ Andrew Adams
25 Andrew Adams
26 Attorney for Creditor California Receivership Group

27 /s/ David Chandler
28 David Chandler
Attorney for Debtors

****END OF ORDER****

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